

REMARKS

By the foregoing Amendment, Claims 1, 9, 14 and 22 are amended. Entry of the Amendment, and favorable consideration thereof, is earnestly requested. Claims 1-26 are currently pending.

Claims 1-26 stand rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention. Claims 1, 9, 14 and 22 have been amended to obviate this rejection.

The Examiner has rejected all claims under 35 U.S.C. §103 as being unpatentable primarily over Kawashima et al. (US 2002/0188560) in view of Hitachi LTD (JP 2001147956A). Applicant respectfully asks the Examiner to reconsider these rejections in view of the above Amendments and the below Remarks.

The present invention is concerned with a system for facilitating the processing and settlement of a securities trade. The system includes a computer which receives trade execution information indicative of an executed trade by a first trading party and trade allocation information indicative of an ordered trade by a second trading party. Executing on the computer is a matching program for

comparing the trade execution information with the trade allocation information and for determining that a match exists if the trade execution information and the trade allocation information correlate within acceptable trade parameters.

All claims have been amended to further highlight this novel aspect of the invention. More specifically, all claims have been amended to specifically require that the trade execution information be indicative of an executed securities trade by a first trading party, and that the trade allocation information be indicative of an ordered securities trade by a second trading party. Applicant respectfully submits that these elements are not disclosed, taught or suggested by either Kawashima or Hitachi, or by any combination thereof.

Kawashima relates generally to a system and method for settling accounts among a plurality of participants, and more particularly to a method for settling accounts among a plurality of participants by multilaterally or bilaterally setting off sums payable by each participant to others with sums receivable by each participant from others. Thus, Kawashima has nothing whatsoever to do with securities trades, and certainly does not even hint at trade execution information indicative of an executed securities trade supplied by a first trading party, and/or trade allocation information indicative of an ordered securities trade supplied by a second trading party. The only mention of a “security” whatsoever made in

Kawashima relates to a monetary security (i.e., a surety) provided to cover debts in case a party becomes insolvent. (see, for example, Paragraph [0066] of Kawashima). Applicant respectfully submits that one skilled in the art certainly would not understand this mention of a monetary security (i.e., surety) as meaning that Kawashima discloses a system for settling securities trades, that Kawashima discloses trade execution information indicative of an executed securities trade supplied by a first trading party, and/or that Kawashima discloses trade allocation information indicative of an ordered securities trade supplied by a second trading party, which elements are required by all claims, as amended.

Similarly, Hitachi relates to an agreement registration process, wherein transaction contract modification accompanied by an increase in net exposure is prohibited to a user when net exposure exceeds credit limit. Thus, like Kawashima, Hitachi has nothing whatsoever to do with securities trades, and certainly does not even hint at trade execution information indicative of an executed securities trade supplied by a first trading party, and/or trade allocation information indicative of an ordered securities trade supplied by a second trading party.

Further, as mentioned above, the present invention includes a matching program for comparing the trade execution information with the trade allocation

information and for determining that a match exists if the trade execution information and the trade allocation information correlate within acceptable trade parameters. The acceptable trade parameters may be supplied by the first trading party and/or the second trading party such that significant flexibility in matching criteria is achievable. This important aspect of the present invention is discussed in detail in the Specification as originally filed, for example, in Paragraphs [0027] and [0028]. Moreover, all claims have been amended to highlight this aspect of the invention by now requiring that the set of predefined acceptable trade parameters be specified by at least one of the first trading party and the second trading party. Applicant respectfully submits that these elements are not disclosed, taught or suggested by either Kawashima or Hitachi, or by any combination thereof.

While Applicant notes that Kawashima discloses counterchecking by comparing two sets of payment information with one another, Kawashima is merely concerned with determining whether the two sets of payment information are identical. (see Paragraph [0093] which states: "The netting service provider 14 decrypts with the common key K the read sets of confirmed payment information 18, and performs counterchecking 19 to see if the payment information contained therein is identical with the matching payment information 12 stored in its own memory"). Thus, Kawashima does not disclose, teach or suggest in any way

comparing trade execution information with trade allocation information, and determining that a match exists if the trade execution information and the trade allocation information correlate within a set of predefined acceptable trade parameters specified by at least one of the first trading party and the second trading party, as is required by all claims. Consequently, Kawashima provides no flexibility whatsoever for the parties to vary acceptable matching criteria as they see fit.

Moreover, Applicant can see nothing in Hitachi that would lead one skilled in the art to these highlighted limitations.

Furthermore, Applicant respectfully submits that a system having the above-discussed limitations would not have been obvious to one having ordinary skill in the art in view of the cited references. It is well settled that the mere fact that references *are capable of being* combined or modified does not render a resultant combination or modification obvious *unless the prior art also suggests the desirability of the combination or modification*. *In re Mills*, 916 F.2d 680, 682, 16 U.S.P.Q.2d 1430, 1432 (Fed. Cir. 1990) (Although a prior art device "may be capable of being modified to run the way the apparatus is claimed, there must be a suggestion or motivation in the reference to do so" in order for obviousness to exist). In the present case, Applicant respectfully submits that both Kawashima

and Hitachi disclose systems and methods that are concerned with solving completely different problems than is the present invention, and as such, there is no suggestion whatsoever to make the modifications necessary to arrive at the claimed invention. One skilled in the art considering the cited prior art, without the benefit of the present application in front of himself/herself, would simply not be taught to arrive at the present invention, as claimed.

For the foregoing reasons, Applicant respectfully submits that all pending claims, namely Claims 1-26, are patentable over the references of record, and earnestly solicits allowance of the same.

Respectfully submitted,



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